

Results of Operations  
for the First Half of the Fiscal Year Ending  
March 31, 2022 (FY3/22)



Stock code: 2179

December 2, 2021

# The Businesses of the SEIGAKUSHA Group SEIGAKUSHA Co.,Ltd.

## Education Services

An education company centered on education and child care services extending from pre-school children to adults

Entrance exam preparation schools



Individual tutoring

Mainly one instructor for every two students



Video classes for university entrance exams



Other individual tutoring brands



Shinkenzemi Individual Tutoring School



Entrance exam preparation schools



Class teaching

Goal-centered classes that give students confidence when goals are exceeded



## Other

Japanese language classes for foreign students in Japan



The FreeStep online individual tutoring service at schools



English Language School with after-school care



Lessons for students who want to work at a Japanese company (South Korea) **KAISEI CAREER CONSULTING**

Teacher staffing service for schools, operation of employee training centers, planning and production of digital and e-learning materials, and consulting services for kindergarten operations (Vietnam), in addition to operations of the above brands

Nursery school



Certified nursery schools



Real Estate Leasing

Leasing of unused space

Restaurant Operations

One restaurants in the city of Osaka, provision of school lunch

## Statement of Income

(Millions of yen, %)

	1H FY3/21 Results	1H FY3/22 Plan	1H FY3/22 Results	YoY change	YoY (%)	Vs. plan	% achieved
Net sales	5,202	5,723	5,764	+561	+10.8	+40	100.7
Education Services	5,159	5,682	5,726	+567	+11.0	+44	100.8
Real Estate Leasing	20	17	21	+1	+5.4	+3	121.9
Restaurant Operations	22	23	15	-6	-30.3	-7	67.0
Operating profit	-372	-113	96	+469	-	+210	-
Operating margin	-7.2	-2.0	1.7	-	-	-	-
Ordinary profit	-374	-119	118	+492	-	+237	-
Ordinary margin	-7.2	-2.1	2.1	-	-	-	-
Profit	-309	-123	76	+385	-	+200	-
Profit margin	-5.9	-2.2	1.3	-	-	-	-

# Results of Operations

## 1H FY3/22

- Net sales are generally consistent with the fiscal year plan.
- In the entrance exam preparation category, earnings were far above the plan because efficient operations lowered personnel expenses and recruiting expenses were less than expected because many university students applied to be instructors.
- The first first-half operating profit in seven fiscal years since 1H FY3/15

## FY3/22 Forecasts

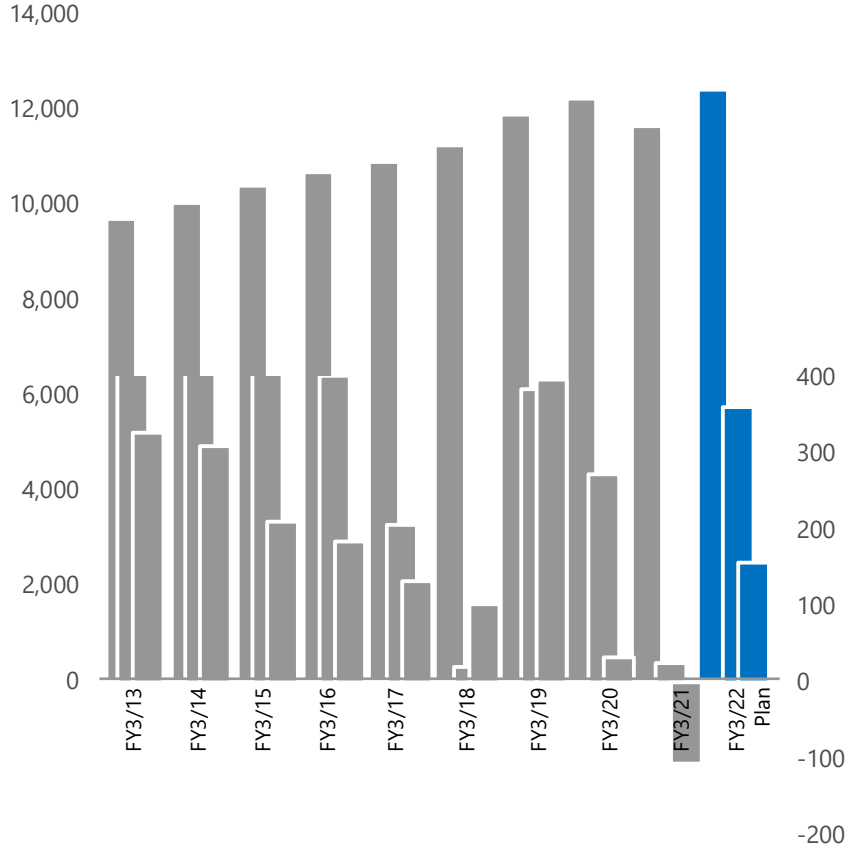
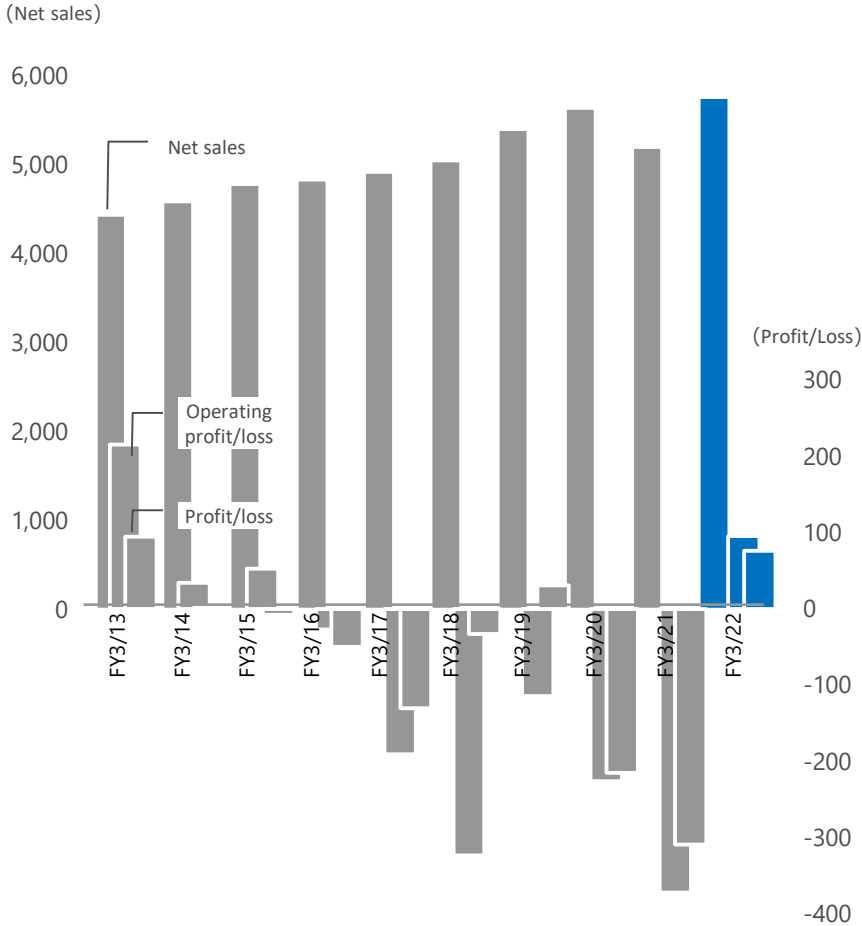
- Performance is expected to return to the pre-crisis level because of online classes and other online activities
- Plan on expansion of the FreeStep business in the Tokyo area, where the need for individual tutoring is increasing
- No FY3/22 forecast change because of uncertainty about the effects of the pandemic

# Financial performance

(Millions of yen)

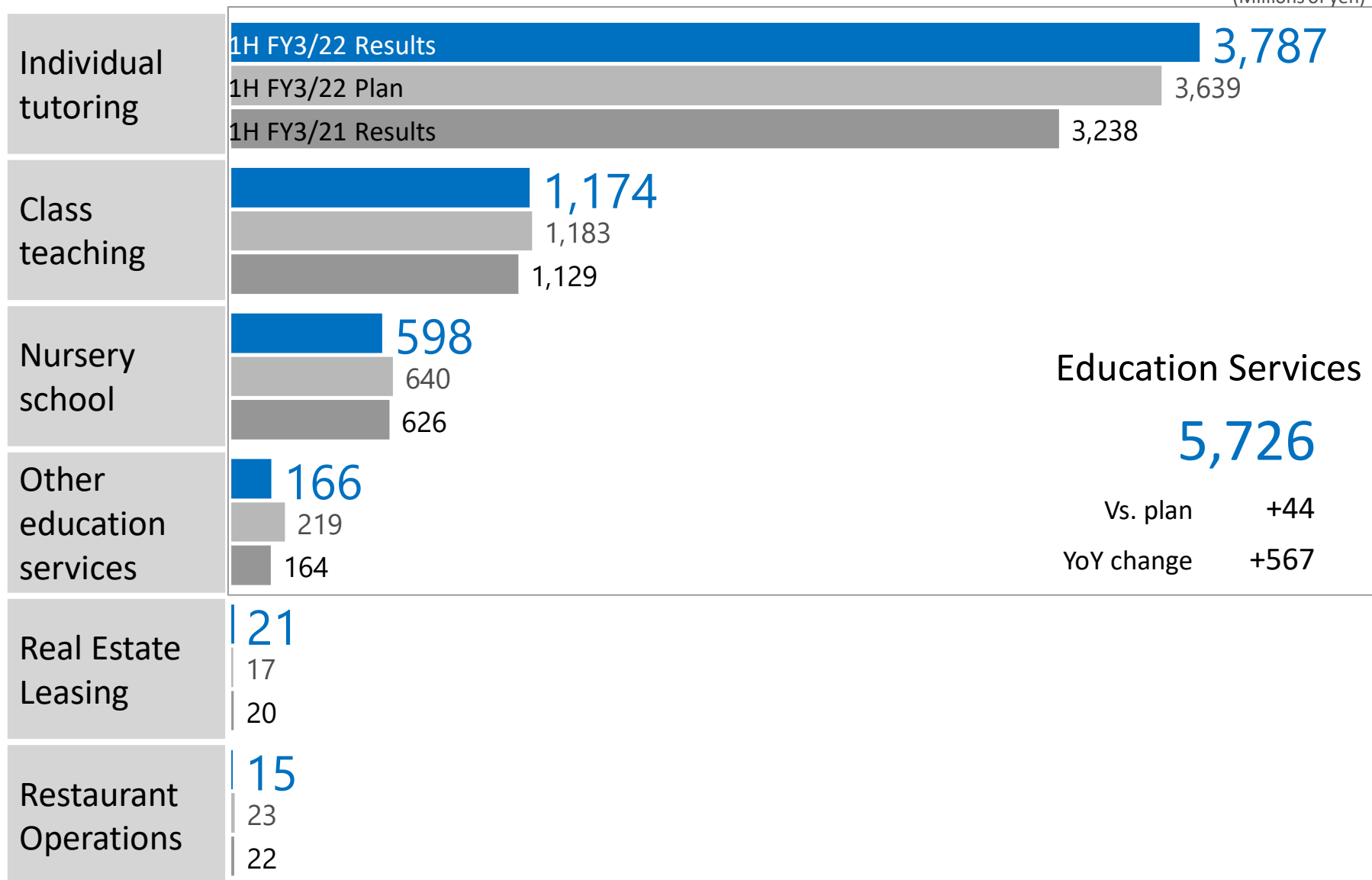
## First half

## Full year



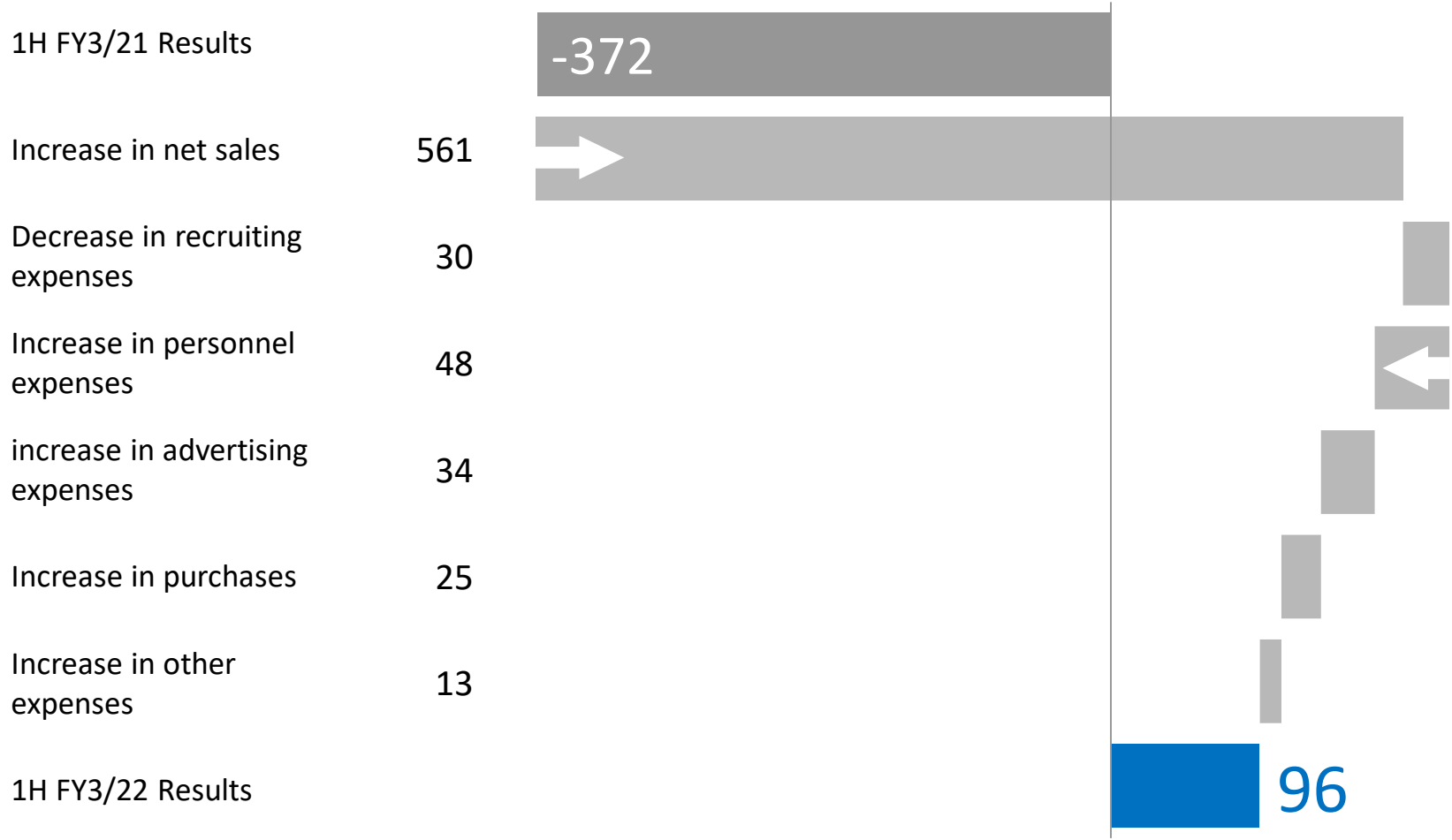
# Business Segment Sales

(Millions of yen)



# Change in Operating Profit/Loss

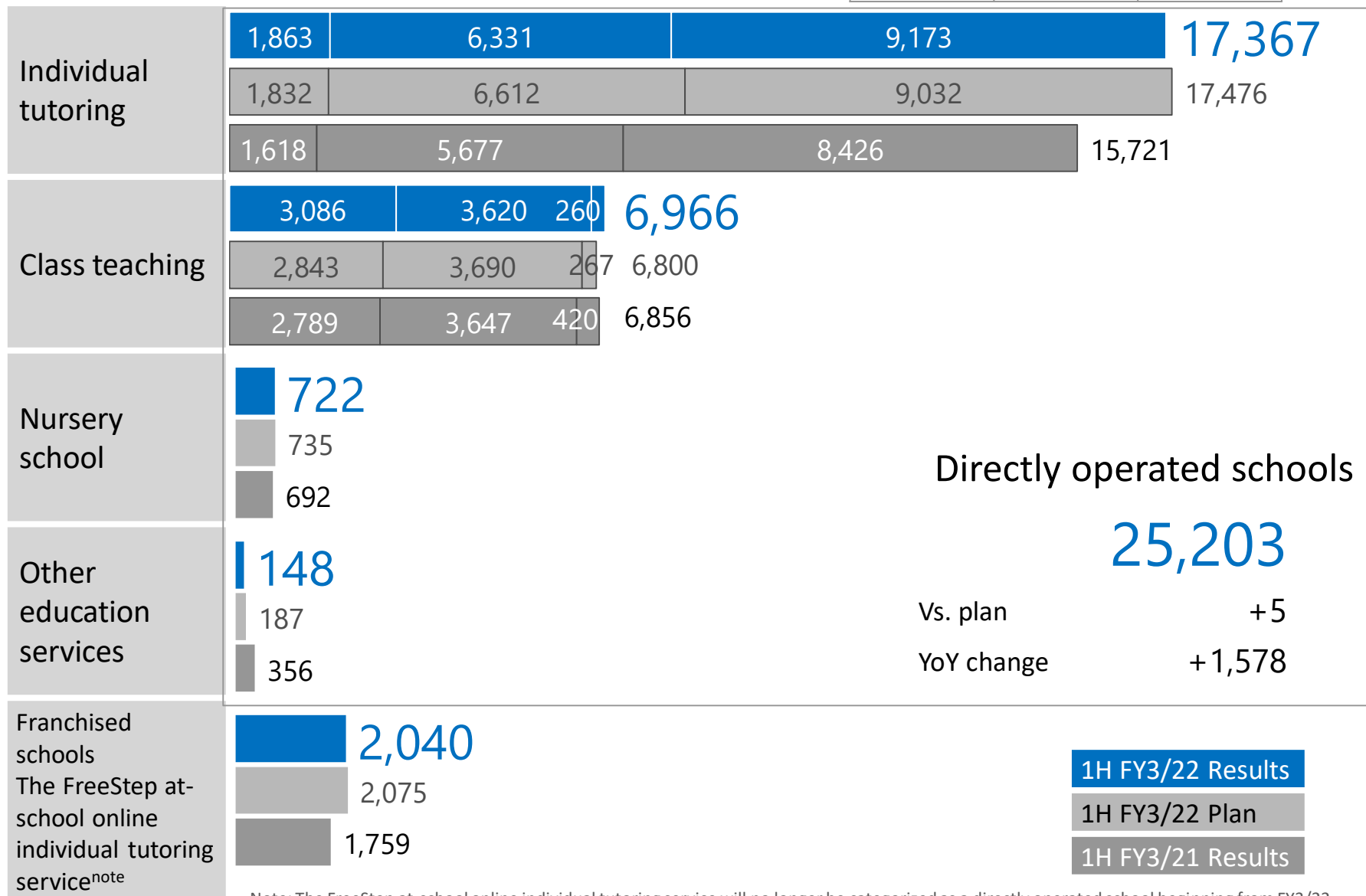
(Millions of yen)



# Number of Students at SEIGAKUSHA Group Schools

(As of Sep. 30, 2021)

Elementary school students	Junior high school students	High school students	(Number of students)
----------------------------	-----------------------------	----------------------	----------------------



Note: The FreeStep at-school online individual tutoring service will no longer be categorized as a directly operated school beginning from FY3/22. The number of students in prior years has been adjusted for consistency with this change.



# Number of Schools

Directly operated schools: **278** (+1 Vs. end of FY3/21)

Franchised schools: **35** ( $\pm 0$  Vs. end of FY3/21)

	Directly operated schools	Number of directly operated schools for categories				Franchised schools
		Individual tutoring	Class teaching	Nursery school	Other education services	
Osaka	158	117	63	15	2	10
Shiga	25	19	16	0	0	1
Hyogo	36	31	4	2	1	4
Kyoto	17	17	0	0	0	5
Nara	4	4	0	0	0	3
Tokushima	0	0	0	0	0	5
Tokyo	29	29	2	0	0	4
Saitama	7	7	0	0	0	2
Chiba	1	1	0	0	0	1
Overseas	1	0	0	0	1	0
<b>Total</b>	<b>278</b>	<b>225</b>	<b>85</b>	<b>17</b>	<b>4</b>	<b>35</b>
Vs. end of FY3/21	+1	+2	$\pm 0$	$\pm 0$	$\pm 0$	$\pm 0$

Note: The total number of directly operated schools does not match the total for categories because some schools operate in two or more categories.

## Balance Sheet and Cash Flow Statement

(Millions of yen)

	Sep. 30, 2021	Mar. 31, 2021	Change
Current assets	2,792	3,311	-518
Non-current assets	5,236	5,378	-141
<b>Total assets</b>	<b>8,029</b>	<b>8,689</b>	<b>-659</b>
Current liabilities	2,621	3,688	-1,066
Non-current liabilities	2,825	2,482	+343
<b>Total liabilities</b>	<b>5,447</b>	<b>6,170</b>	<b>-723</b>
Shareholders' equity	2,592	2,525	+67
Accumulated other comprehensive income	-9	-6	-3
<b>Total net assets</b>	<b>2,582</b>	<b>2,519</b>	<b>+63</b>
<b>Total liabilities and net assets</b>	<b>8,029</b>	<b>8,689</b>	<b>-659</b>

	1H FY3/22	1H FY3/21
Cash flows from operating activities	236	-342
Cash flows from investing activities	41	-180
Cash flows from financing activities	-300	406
Effect of exchange rate change on cash and cash equivalents	-0	-3
Net increase (decrease) in cash and cash equivalents	-23	-120
Cash and cash equivalents at beginning of period	1,368	1,368
Cash and cash equivalents at end of period	1,345	1,248

## Earnings Forecasts

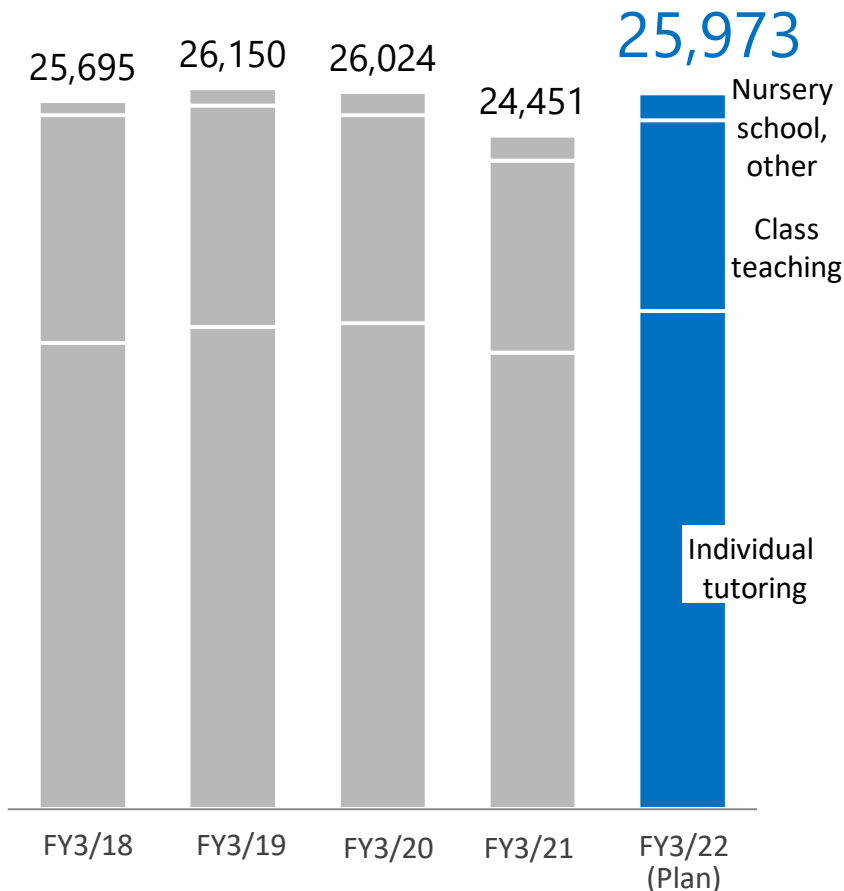
(Millions of yen, %)

	FY3/21 Results	FY3/22 Plan	YoY change	YoY (%)
Net sales	11,641	12,403	+762	+6.5
Education Services	11,541	12,317	+775	+6.7
Individual tutoring	7,405	8,167	+762	+10.3
Class teaching	2,505	2,423	-81	-3.3
Nursery school	1,285	1,299	+14	+1.1
Other education services	346	426	+80	+23.3
Real Estate Leasing	41	35	-6	-15.6
Restaurant Operations	58	50	-7	-12.5
Operating profit	25	360	+335	-
Operating margin	0.2	2.9	+2.7	-
Ordinary profit	48	345	+296	+613.9
Ordinary margin	0.4	2.8	+2.4	-
Profit	-106	157	+264	-
Profit margin	-0.9	1.3	+2.2	-

# Earnings Forecasts

## Number of students at the Group's directly operated schools

(As of November, which is normally when the number of students is highest)



Note: The FreeStep at-school online individual tutoring service will no longer be categorized as a directly operated school beginning from FY3/22. The number of students in prior years has been adjusted for consistency with this change.

## Number of Schools at the end of FY3/22

(Numbers in parentheses represent the number of schools as of March 31, 2021 )

Directly operated schools	285	(277)
Individual tutoring	236	(223)
Class teaching	78	(85)
Nursery school	17	(17)
Other education services	6	(4)
Franchised schools	42	(35)

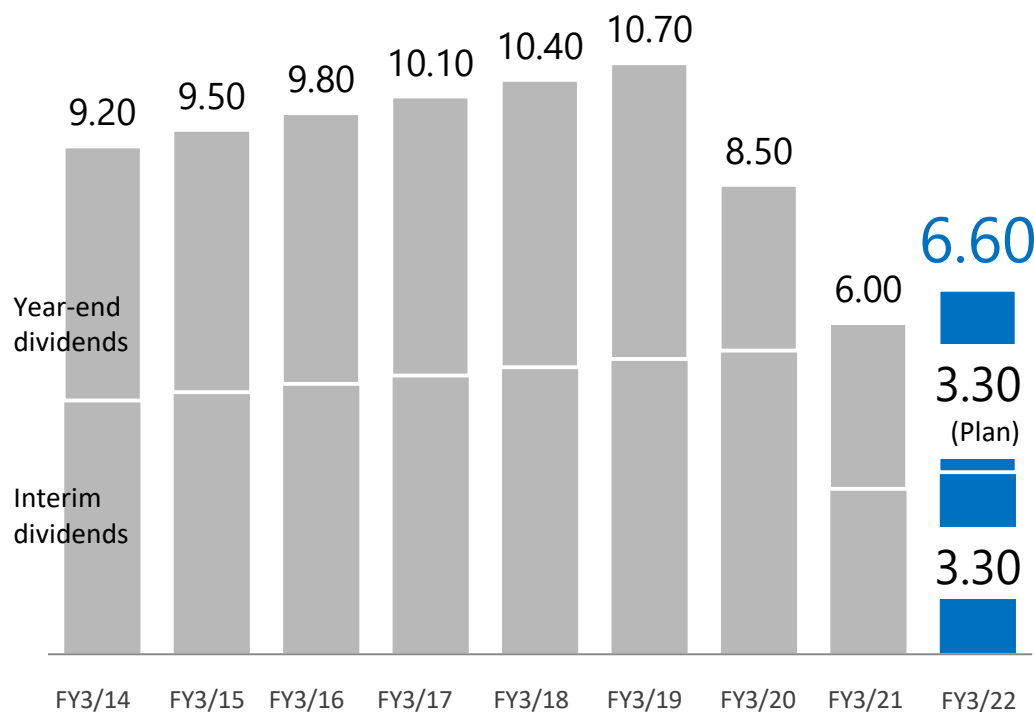
Note: The total number of directly operated schools does not match the total for categories because some schools operate in two or more categories.

# Shareholder Distributions

## Dividends

Pay a consistent and stable dividend while building a strong foundation that can support business operations for many years

Dividend per share (Yen)



## Shareholder benefits

Use benefits to increase the number of shareholders by making SEIGAKUSHA stock an even more attractive investment

- Eligible shareholders  
Shareholders who hold at least one trading unit as of each record date
- Record dates  
Mar. 31 and Sep. 30  
(Twice each year)
- Benefits  
All shareholders who hold at least one trading unit receive a 1,000 yen QUO card

# Development of "My Step Log"

**An all-in-one platform** that uses communication, daily study records, lesson videos and other functions to help exam preparation students achieve their goals.



A new and more interesting style of learning

## A Learning e-Portfolio

Developed to incorporate all teaching know-how of FreeStep  
The visualization capability of “My Step Log” gives students a new style for learning that dramatically alters methods for studying along with the results of the learning process.

# Functions of "My Step Log"

Parents can use a smartphone or other device to check progress with lessons

### Today's class

Textbooks and pages to be used in the day's lessons



### Attendance/Homework

Information is sent within few minutes after a class ends



### Comprehension of lessons

Level of comprehension of the day's lessons based on tests



My Step Log (詳細)

○ [学習内容] 1.2 通常

☑ [科目・単元・学習範囲]

中学英語 国語教材 (1) ~ (3)

(1) Lodestar 中3 英語 授業(テキスト・ドリル・テスト)

単元 (1)

☑ [名前を修飾する文(関係代名詞の省略)]

(1) P.94 ~ P.97

---

[配布物] 保護者連絡 冬期講習前テスト

[遅刻 / 早退] 0分 / 0分

[課題] winpass (P.100 ~ P.105) 単語テスト (P.281 ~ P.330)

☑ [前回の宿題] 全てできた

☑ [次の単元]

英語単元 (1)

☑ [関係代名詞 (主格who)]

(1) P.98 ~ P.101

[講研名]

[LAPテスト・確認テスト]

---

[名前を修飾する文(関係代名詞の省略)]

LAPテスト

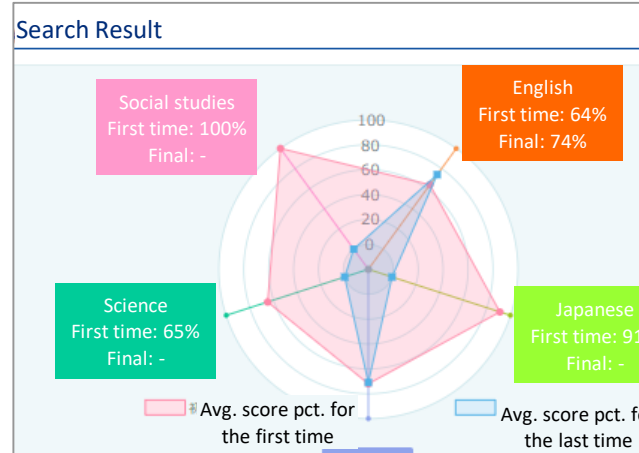
段階	実得	正解	割合	配点
1①	満	○	0	2
1②	満	○	0	2
1③	満	○	0	2
2	満	○	0	2
3①	満	○	0	2
3②	満	○	0	2
合計 (点/配点)				12点/12点

閉じる

**Class participation**  
Stamps are used for a student's attitude about lessons in order to increase motivation



**Confirmation of homework**  
Students can reconfirm their homework assignments



### Scoring Stamps



# Functions of "My Step Log"

Confirmation tests for each lesson allow exam prep students to monitor progress

## 内積の性質

次の問に答えなさい。

$t$  を正の実数,  $\vec{a}, \vec{b}$  の成す角を  $\theta$  とする。  
 2つのベクトル  $\vec{a}, \vec{b}$  が,  $|\vec{a} + \vec{b}| = \sqrt{t}$ ,  
 $|\vec{a} - \vec{b}| = \sqrt{3}$ ,  $|\vec{a}| = t|\vec{b}|$  を満たしているとき,  
 次の□に当てはまる整数を答えよ。

$\vec{a} \cdot \vec{b} = \square$  である。

①

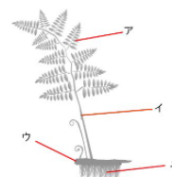
✓判定

## 植物の分類

次の問に答えなさい。

下の図はイヌワラビのスケッチです。ア～エの名称を次から選び答えなさい。

( 葉柄 根 地下茎 葉 )



ア

イ

ウ

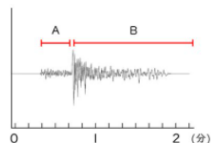
エ

✓判定

## 地震

次の問に答えなさい。

下の図は、地震計で地震のゆれを記録したときのものです。以下の問に答えなさい。



ア Aの範囲に当たる名称を答えなさい。

イ Bの範囲に当たる名称を答えなさい。

ウ Aが始まってからBが始まるまでの時間をなんというか、答えなさい。

✓判定

## 定積分の利用

次の問に答えなさい。

次の空欄に当てはまる適切なものを入れよ。

$\lim_{n \rightarrow \infty} \sum_{k=1}^n \frac{1}{n+k}$  の極限值を積分を用いて求めると、

$\lim_{n \rightarrow \infty} \sum_{k=1}^n \frac{1}{n+k} = \log \text{ [ ① ] }$

①

✓判定



# Benefits of “My Step Log”

Accumulates data to allow analysis and determination of activities

Better results of classes by using ideas for lessons based on objective data

7th grade students			8th grade students			9th grade students		
Subjects	% of correct answers		Subjects	% of correct answers		Subjects	% of correct answers	
English	Pronoun	65.1%	Comparison: more/most	69.8%	leave + A + B	69.6%		
	Interrogative: when	70.6%	Conjunctive: if	70.5%	keep + A + B	73.5%		
	Interrogative: where	70.7%	Conjunctive: when	73.1%	Relative pronoun: subjective who	73.8%		
Math	Character expressions and quantities	74.2%	Multiplication and division of monomials	77.3%	Ingenuity in calculation	76.9%		
	Calculations mixed with the four rules	78.0%	Use of a system of equations	78.7%	Various factorizations	80.2%		
	Relational expression	80.3%	Use of calculation formula	79.0%	Square root calculation	81.8%		

Instant delivery of all lesson reports

Higher parent satisfaction and lower drop-out ratio



Instructor comments I receive after every class gives me a good understanding of how my daughter is doing. I can talk with her about many things. (6th grade student)

I really appreciate having this app to receive information and comments about classes that's easy to understand. (4th grade student)

Electronic study cards are a great idea. The digitization of notes and instructor corrections is also useful for overcoming weaknesses and performing reviews. Please continue to improve this service. (8th grade student)

I like seeing comments from the instructor with class reports. I pass the instructor's remarks on to my child to motivate him even more. (7th grade student)

Replies in Aug. 2021  
parent/guardian survey

# FreeStep Improves Test Scores

点数アップと大学受験から  
**フリーステップ**  
1対122で本物の個別指導

360

冬から始める! 結果を変える  
**成績最高化システム**

選ぶなら受験に強い理由がある個別指導  
**冬期講習** 12/8 12/12

無料体験 入会金¥0 授業料4ヵ月無料

高校生	中学生	小学生
大学受験に強い! 私立大 <b>1,308名</b> 早稲上理・MARCH・関関同立 国公立大 <b>279名</b>	冠大学で強い! 年間受講 <b>6,337件</b> 中1年間受講 <b>1,400名超</b>	中学受験に強い! 私立中学校 第一志望合格 <b>80.3%</b> 1対1授業 <b>11ヵ月</b> <b>1対1ユニココース</b>

「受験・進学準備の強い」  
**全国No.1の三大入試対策**  
ガイダンス

フリーステップ 0120-880-406

冬期講習の「わかる」「できる」だけの冬期講習ではもったいない!  
**冬期講習を「真に「成績アップのきっかけ」にする方法!**

フリーステップの学習プランナーがおすすめする 冬期講習の活用法

冬期講習の成果実績を伝える フリーステップの「人」と「システム」

新学歴はキミが主人公! 2021年度実績 入会者数 **6,337件**

高校	専修学校	中校	大高	高専	行専	高専	高専	専修	門校
03-8231-8888	03-6526-7721	03-6975-8282	03-6978-1800	047-4071-2220	047-233-8830	03-6489-0210	03-6889-1830	03-6240-8880	03-6240-8880

フリーステップは、東京・埼玉・千葉・大阪・兵庫・京都・奈良・滋賀・徳島に **251** 教室 /

フリーステップ 0120-880-406

A FreeStep advertisement that was distributed with newspapers in November 2021

# FreeStep Improves Test Scores

## Record-setting number of successes at raising score of school test

**過去最多 年間実績 6,337件** ※2020年7月17日～15以上の点数上昇または掲載の最低基準として掲

**高得点獲得!** 2年 前期期末 **82点**

**23点 UP!** 2年 2学期中間

**23点 UP!** 2年 1学期期末

**28点 UP!** 3年 1学期期末

**23点 UP!** 2年 2学期中間

**78点** 2年 2学期中間

**55点** 2年 1学期期末

**高得点獲得!** 3年 1学期中間

**成績アップのきっかけにする方法!**

**フリーステップの「人」と「システム」**

**人**の力

**フリーステップ**

**過去最多 年間実績 6,337件**

フリーステップは、東京・埼玉・千葉・大阪・兵庫・京都・奈良・滋賀・徳島に**251** 教室 /

**フリーステップ** ☎ **0120-880-406** フリーステップ

Number of student test score improvements in FreeStep promotions: 6,337 (July 17, 2020 to July 16, 2021)

## Leveraging our strengths for a business with three-way benefits

### Seigakusha

Ability to hire many talented university students as instructors and the ability to assist with job placements that match the needs of students and employers

- Training and other support for university students who are Seigakusha instructors to improve their teaching skills and help them grow as adults after finishing school
- Monitoring the performance of these instructors allows determining the character and other traits of these instructors

### University students working as Seigakusha instructors

- Acquiring job-hunting information is time-consuming because of the large number and diversity of media for university students looking for jobs
- Connections or the lack of connections can affect job hunting success



### Companies recruiting new university graduates

- The large number and variety of recruiting media make it difficult to select the proper ones for targeted students
- Difficulty of having a sufficient opportunity to know the characteristics of job applicants

# Precautions

Forecasts of future performance in this report incorporate risks and uncertainties because these statements are based on assumptions judged to be valid and information available to the SEIGAKUSHA's management at the time these materials were prepared. Actual results may differ significantly from these forecasts for a number of reasons.

## Inquiries:

Corporate Planning Department, SEIGAKUSHA CO.,LTD.

3-1-2, Nakazakinishi, Kita-ku, Osaka 530-0015

Tel: +81-6-6373-1595 Fax: +81-6-6373-1518